

HERSETH SANDILN ANNOUNCES \$29M FOR SCHOOL CONSTRUCTION BONDS

Washington, DC-Today, Rep. Herseth Sandlin announced that the state of South Dakota will receive \$29,797,000 in allocation authority to issue qualified school construction bonds under the American Recovery and Reinvestment Act. Qualified school construction bonds can be used to finance the construction, rehabilitation or repair of a public school facility or for the acquisition of land where a school will be built.

"This long-overdue financing option will be quickly used by schools across the state to update their facilities, ultimately improving the educational experience of young people in South Dakota," Rep. Herseth Sandlin said. "School construction meets the goals of the stimulus by not only creating jobs, but also investing in the future of our country, our children."

Created by the Recovery Act, qualified school construction bonds help state and local governments obtain low-cost financing for much needed public school improvements and construction. Investors who buy these bonds receive Federal income tax credits at prescribed tax credit rates in lieu of interest. These tax credit bonds essentially allow state and local governments to borrow without incurring interest costs.

The Recovery Act provided for the issuance of \$11 billion of qualified school construction bonds by states and large local educational agencies in 2009 and \$11 billion in 2010. The 2010 allocations include \$6.6 billion of bonding authority to the 50 states and the remaining \$4.4 billion of volume cap to 103 large local educational agencies under a statutory formula tied to levels of federal education grant funding.

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